

CMS Manual System

Department of Health &
Human Services (DHHS)

Pub 100-04 Medicare Claims Processing

Center for Medicare &
Medicaid Services (CMS)

Transmittal 701

Date: OCTOBER 7, 2005

Change Request 4095

SUBJECT: New Diagnosis Code Requirements for Method II Home Dialysis Claims

I. SUMMARY OF CHANGES: This CR revises diagnosis code requirements on Method II home dialysis claims billed to the DMERCs.

NEW/REVISED MATERIAL

EFFECTIVE DATE: October 01, 2005

IMPLEMENTATION DATE: November 7, 2005

Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.

II. CHANGES IN MANUAL INSTRUCTIONS: (N/A if manual is not updated)

R = REVISED, N = NEW, D = DELETED – *Only One Per Row.*

R/N/D	Chapter / Section / SubSection / Title
R	8/90/90.2.1/Supplier Documentation Required

III. FUNDING:

No additional funding will be provided by CMS; Contractor activities are to be carried out within their FY 2005 operating budgets.

IV. ATTACHMENTS:

Business Requirements

Manual Instruction

**Unless otherwise specified, the effective date is the date of service.*

Attachment - Business Requirements

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SUBJECT: New Diagnosis Code Requirements for Method II Home Dialysis Claims

I. GENERAL INFORMATION

A. Background:

Previous manual instructions published in Pub. 100-4, Chapter 8, Section 90.2.1, required suppliers of home dialysis supplies and equipment to use diagnosis code 585.0 on all Method II claims. However, on June 24, 2005, CMS published the annual update to the International Classification of Diseases, Ninth Revision, Clinical Modification (ICD-9-CM) codes. In accordance with this instruction, effective October 1, 2005, diagnosis code 585.0 will no longer be accepted by Medicare. Therefore, CMS is revising the current instructions to notify suppliers that they must now use diagnosis code 585.6 (End Stage Renal Disease) on Method II home dialysis claims.

B. Policy:

Effective for claims with dates of service on or after October 1, 2005, diagnosis code 585.6 shall be used on Method II home dialysis claims submitted to the durable medical equipment regional carriers (DMERCs).

II. BUSINESS REQUIREMENTS

"Shall" denotes a mandatory requirement

"Should" denotes an optional requirement

Requirement Number	Requirements	Responsibility (“X” indicates the columns that apply)								
		F I	R H I	C a r r i e r	D M E R C	Shared System Maintainers				Other
						F I S S	M C S	V M S	C W F	
4095.1	Effective for dates of service (DOS) on and after 10/1/05, DMERCs shall accept diagnosis code 585.6 on all Method II home dialysis claims.				X					
4095.2	Effective for DOS on and after 10/1/05, DMERCs shall return as unprocessable claims using the discontinued code 585.0.				X					

III. PROVIDER EDUCATION

Requirement Number	Requirements	Responsibility (“X” indicates the columns that apply)								
		F I	R H H I	C a r r i e r	D M E R C	Shared System Maintainers				Other
						F I S S	M C S	V M S	C W F	
4095.3	A provider education article related to this instruction will be available at www.cms.hhs.gov/medlearn/matters shortly after the CR is released. You will receive notification of the article release via the established "medlearn matters" listserv. Contractors shall post this article, or a direct link to this article, on their Web site and include information about it in a listserv message within 1 week of the availability of the provider education article. In addition, the provider education article shall be included in your next regularly scheduled bulletin and incorporated into any educational events on this topic. Contractors are free to supplement Medlearn Matters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly.				X					

IV. SUPPORTING INFORMATION AND POSSIBLE DESIGN CONSIDERATIONS

A. Other Instructions: N/A

X-Ref Requirement #	Instructions

B. Design Considerations: N/A

X-Ref Requirement #	Recommendation for Medicare System Requirements

C. Interfaces: N/A

D. Contractor Financial Reporting /Workload Impact: N/A

E. Dependencies: N/A

F. Testing Considerations: N/A

V. SCHEDULE, CONTACTS, AND FUNDING

Effective Date*: October 1, 2005 Implementation Date: November 7, 2005 Pre-Implementation Contact(s): Renée Hildt (410) 786-1446 or renee.hildt@cms.hhs.gov Post-Implementation Contact(s): Renée Hildt (410) 786-1446 or renee.hildt@cms.hhs.gov	No additional funding will be provided by CMS; contractor activities are to be carried out within their FY 2005 operating budgets.
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90.2.1 - Supplier Documentation Required

(Rev. 701, Issued: 10-07-05, Effective: 10-01-05, Implementation: 11-07-05)

An order for the supplies or equipment which is reviewed, signed, and dated by the ordering physician must be kept on file by the supplier. The medical records must contain information which supports the medical necessity of the items ordered. The appropriate ICD-9 diagnosis code for end-stage renal failure patient requiring dialysis, 585.6, should be referenced on each claim.

If a miscellaneous supply or equipment code (A4910, A4913, E1699) is used and if the monthly charges for the other codes billed is lower than the payment cap, then the claim must include a narrative which adequately describes each item billed using the miscellaneous codes.

The supplier also must have on file the original written agreement with a Medicare approved dialysis facility (or military or VA hospital) which specifies that it will provide at least the following support services:

- Surveillance of the patient's home adaptation, including provisions for visits to the home or the facility;
- Consultation for the patient with a qualified social worker and a qualified dietician;
- Maintain a record-keeping system which assures continuity of care and includes a record of supplies and equipment provided by the Method II supplier;
- Maintaining and submitting all required documentation to the ESRD network;
- Assuring that the water supply is of the appropriate quality if hemodialysis is the dialysis method;
- Assuring that the appropriate supplies are ordered on an ongoing basis;
- Arranging for the provision of all ESRD related laboratory tests, and billing for the laboratory tests that are included in the composite rate;
- Furnishing institutional dialysis services and supplies;
- Furnishing dialysis-related emergency services; and
- Furnishing all other necessary dialysis services and supplies, dialysate, tubing and gauze pads.

NOTE: As of July 1, 2002, claims to DMERCS must include modifier KX (Specific required documentation on file) on any claim for services requiring such a backup agreement. See §90.4 for more information.